

**The National Credit
Union Administration
Region IV (Chicago)**

**Background Information
For Member Complaint
Processing**

The National Credit Union Administration (NCUA) is an agency of the federal government responsible for the supervision and regulation of federal credit unions. A federal credit union is a financial cooperative chartered by the federal government and is owned by its members. Federal credit unions provide members a safe place to save and borrow funds at reasonable rates. Members elect the board of directors, who in turn, set policies and procedures for the operation of the credit union. Members also have the right to vote, attend, and participate in all membership meetings.

The Region IV (Chicago) office of NCUA processes complaints received against federally chartered credit unions operating within the states of Illinois, Indiana, Michigan, Missouri, Ohio, and Wisconsin.

When a complaint is received against a federally chartered credit union, it is the responsibility of the NCUA to facilitate an investigation of the complaint, and to make a determination if any regulatory violations have occurred. **However, it is not the role of the NCUA to arbitrate a disagreement between a complainant and a credit union.** Any disagreements that go beyond the regulatory scope of the law must be settled between the complainant¹ and the credit union through appropriate means of resolution such as arbitration, if available in the surrounding area, or through a judicial review process in the appropriate court system that would have jurisdiction in the matter.

Normally complaint processing, including the time needed for the involved credit union to research the issue takes about 45 days from the date the complaint is received in the regional office. The NCUA will ensure that all reasonable complaints against a federally chartered credit union are reviewed and addressed at a minimum by the supervisory committee of a particular credit union.

While regulated by the NCUA, federally chartered credit unions are independent business entities that operate under policies and procedures approved by the board of directors of each individual credit union. As long as the policy decisions made by a particular board of directors are not discriminatory in nature and do not violate some other applicable regulatory items or issues, the NCUA does not involve itself or interfere in the business decisions made by the independent credit unions.

Typically, the following process is used by this regional office to address member complaints:

- * Upon receipt of a consumer complaint, a letter from the regional director attaching the complaint is forwarded to the supervisory committee² of the federally chartered credit union involved. In most cases submitted to this office, we request that the supervisory committee respond directly to the member on the matter as soon as possible and provide this office with a copy of its response within 45 days of the date of our correspondence. However, there are some instances in which we request that the credit union respond directly to this office in lieu of the member. These instances are to be responded to by the credit union as soon as possible; however, NCUA will not follow up on the matter until 45 days from the date of our initial letter to the credit union's supervisory committee.
- * It is the responsibility of the supervisory committee to determine if the complaint has merit. If, based on the facts of the investigation, a determination is made that the complainant was treated inappropriately, an offer of resolution will typically be made by the supervisory committee in accordance with the operating procedures of the particular federally chartered credit union.
- * Upon completion of the investigation, the supervisory committee will forward a written summary of the results to the regional director of this office for review. Upon completion of this office's review and a conclusion that the matter has been completely addressed and/or resolved, a final response will be forwarded to the complainant.

Please be advised that NCUA does not provide copies of an individual's credit report. However, the NCUA does ensure that all persons denied credit based on an adverse credit history are properly notified about what credit reporting agency must be contacted.

As noted at the beginning of this brochure, it is not the role of NCUA to arbitrate a dispute between the complainant and the credit union. However, it is the role of NCUA to enforce consumer regulations in federally chartered credit unions. Any investigation that results in documented violations of applicable regulations will be addressed in accordance with the prescribed guidelines or requirements of the applicable federal law³.

¹ Typically a member of the federal credit union, but at times third party complaints are received.

² The supervisory committee is made up of volunteers from the membership of each particular credit union. One of the functions of this committee is to be the independent review source for the membership of a particular federally chartered credit union. While some federally chartered credit unions have an audit department with paid staff, typically the members of the supervisory committee are not paid employees of the credit union.

³ The table below provides guidance on what agency has enforcement authority for each of the prominent consumer regulations.

REGULATORY RESPONSIBILITY

REG	NAME	FED CREDIT UNIONS	STATE CREDIT UNIONS
B	EQUAL CREDIT OPPORTUNITY	NCUA	FTC
BSA	BANK SECRECY ACT	NCUA	NCUA
C	HOME MORTGAGE DISCLOSURE ACT	NCUA	NCUA
CC	EXPEDITED FUNDS AVAILABILITY ACT	NCUA	NCUA
D	RESERVES ON TRANSACTION ACCOUNTS	FED RESERVE BOARD	FED RESERVE BOARD
E	ELECTRONIC FUNDS TRANSFER ACT	NCUA	FTC
FCRA	FAIR CREDIT REPORTING ACT	NCUA	FTC
FDCPA	FAIR DEBT COLLECTION PRACTICES ACT	NCUA	FTC
FDPA	FLOOD DISASTER PROTECTION ACT	NCUA	NCUA
FHA	FAIR HOUSING ACT	HUD	HUD
HIDC	HOLDER IN DUE COURSE	FTC	FTC
M	CONSUMER LEASING	NCUA	FTC
RESPA	REAL ESTATE SETTLEMENT PROCEDURES ACT	HUD	HUD
RFPA	RIGHT TO FINANCIAL PRIVACY ACT	PRIVATE ACTION	PRIVATE ACTION
SSRA	SOLDIERS AND SAILORS RELIEF ACT	PRIVATE ACTION	PRIVATE ACTION
TISA	TRUTH IN SAVINGS ACT	NCUA	NCUA
Z	TRUTH IN LENDING ACT	NCUA	FTC